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SIPDIS

DEPT PASS TO USTR
GENEVA FOR USTR ALICIAGENDIGE

E.O. 12958: N/A
TAGS: ETRD WTO TC
SUBJECT: WTO SERVICES NEGOTIATIONS: REQUEST FOR COMMENTS -
UAE

Ref: 04 State 270998

¶1. The UAE is an attractive place for U.S. businesses, but the legal framework here favors local over foreign investors. Post assesses that the overall level of openness for services in the UAE is medium. In some cases, we have assessed different sectors at different levels of openness.

¶2. Begin list:

--Legal services - 3
--Accounting, auditing, and bookkeeping services - 4
Taxation services - 3-4 (medium-high--No local taxes. Tax advice for expatriates and UAE nationals investing in other markets is provided by services operating in those markets.)
--Architectural services - 1
--Engineering and integrated engineering services - 1
--Urban planning and landscape architecture services - 1-2 (with the construction boom going on in the UAE, there is a large potential market in both urban planning and in landscape architecture. Actual demand from U.S. firms is more limited.)
--Computer and related services - 4
--Research and development services - 5
--Real estate services - 4 (low)
--Rental/Leasing Services - 5 (low)
--Advertising services - 3
--Market research and public opinion polling services - 4
--Management consulting services - 2 (medium-high)
--Technical testing and analysis services (including energy) - 2
--Services incidental to agriculture, hunting and forestry and fishing - 5
--Services incidental to mining - 5
--Energy services - 1 (medium-high--Energy resources are

owned by the individual emirates. Emirates have allowed partial ownership of both upstream and downstream oil and gas facilities. The Emirate of Abu Dhabi has begun to privatize its power generation capacity and has announced its intention to privatize power distribution.)

--Placement and supply services of personnel - 4-5

--Investigation and security - 1

--Related scientific and technical consulting services -4

--Maintenance and repair of equipment - 2-3 (especially in energy sector and in the high tech defense sector.)

--Building cleaning services - 5

--Photographic Services - 5

--Packaging services - 5

--Printing, Publishing - 5

--Convention services - 2 (low)

--Courier Services -- 2

--Telecommunication services - 3 (low-- The UAE is in the process of breaking up its monopoly telecommunications service provider Etisalat, but new entrants to the market are likely to need a local partner. There is a market for providing services to Etisalat.)

--Audiovisual services - 5

--Construction and related engineering 1 (medium-high--

There is currently a construction boom in the UAE, especially in the emirate of Dubai, but increasingly in the emirate of Abu Dhabi. There is a great deal of interest and competition from international construction and engineering firms in this sector.)

--Distribution Services - 3

--Educational services - 2

--Environmental services -1

--Insurance services - 4 (low-medium)

--Banking and other financial services - 2 (medium -- The Abu Dhabi Investment Fund, which manages the Emirate of Abu Dhabi's overseas assets, contracts with private fund managers and banks to manage part of its overseas assets.)

--Tourism and travel related services - 2-3 (There are opportunities to manage hotels in the UAE. The UAE Commercial Companies Law requires joint venture partnerships to be 51% Emirati owned.)

--Recreation and sporting services - 3

--Medical services - 1 (medium-high -- The UAE hires a large number of foreign medical professionals. To set up a practice, a foreign medical professional needs a local partner. The emirate of Dubai, however, is setting up Dubai Healthcare City, which will be considered a "free zone" with respect to ownership requirements. In addition, several U.S. hospitals are providing tele-medicine as well as consultation services in the UAE.)